(d) and (e) A decision was taken in June 2004 to double the flow of credit to agriculture over a period of three years. The targeted increase of 30% in credit flow to agriculture in 2004-05, has been exceeded.

Market for securities and derivatives

144. DR. T. SUBBARAMI REDDY:
PROF. ALKA BALRAM KSHATRIYA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to amend Securities Contract Regulation Act, 1956 and Reserve Bank of India Act, 1934 to develop market for securities and derivatives;

(b) if so, whether this will help financial sector reforms;

(c) whether the report card also included Pension Reforms Bill and the changes introduced in the Pension Scheme system for recruits to Government; and

(d) if so, by when these proposed Acts are likely to be amended?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. It has been announced in the Budget 2005-06 that further reforms would be initiated in financial sector including debt and equity markets to facilitate the incipient investment boom in infrastructure, industry (including housing), and services. The reforms, *inter-alia*, include amending the definition of 'securities' under the Securities Contracts (Regulation) Act, 1956 so as to provide a legal framework for trading of securitised debt including mortgage backed debt. Further, it is proposed to provide legal validity to a certain class of Over-the-Counter (OTC) derivatives contracts, which play a crucial role in mitigating the risks of corporates, banks and other financial entities. Accordingly, the Reserve Bank of India (Amendment) Bill, 2005 was introduced in Lok Sabha on 13th May, 2005 to, *inter-alia*, provide for legal validity of certain class of derivatives including the OTC derivatives and empowering the RBI to lay down policy and issue directions to regulate transactions in these derivatives. The Bill stands referred to Standing Committee on Finance.

(c) It was proposed in the Budget 2005-06 that a Bill would be introduced to replace the Ordinance to set up a Pension Fund Regulatory and Development Authority. The Pension Fund Regulatory and Development Authority Bill, 2005 was, accordingly, introduced in Lok Sabha on 21st March 2005. The Bill stands referred to the Standing Committee on Finance.

(d) Steps are being taken to introduce a Bill to amend the Securities Contracts (Regulation) Act, 1956 at the earliest.

Loans to farmers

†145. SHRI MOTI LAL VORA:
SHRI JANARDAN DWIVEDI.

Will the Minister of FINANCE be pleased to state:

(a) the percentage of loans given to farmers out of loans given by the Public Sector Banks and details of last three years in this regard, year-wise;

(b) the percentage of loans recovered out of loans given to farmers;

(c) the reasons for non-recovery of loans; and

(d) whether many farmers have been committing suicide in the country due to their inability to pay bank loans?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The details regarding percentage of agricultural advances to net bank credit by public sector banks and percentage of recovery to demand of direct agricultural advances for last three years is as under:

Years	% of net bank credit	Percentage of recovery to demand
2002	15.8	72.30
2003	15.4	72.60
2004	15.4	74.53

(c) Natural calamities such as flood, drought, etc. have affected the recovery of agricultural loans. The disturbed law and order situation in some States also affects recovery position.

(d) Suicide cases of farmers from certain parts of the country have been reported. Indebtness from formal and informal sources is only one of the many reasons for suicides by farmers. Several measures have been initiated for mitigating the problems of farmers affected by natural calamities. RBI/ NABARD/IBA have issued guidelines to all banks for providing debt relief to farmers in distress/arrears by restructuring/arrears by restructuring/ rescheduling the dues of farmers into term loans of upto 5 years period with a moratorium of upto 2 years. Guidelines have also been issued to

†Original notice of the question was received in Hindi.